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Economic Policy for a Strong EU

Annual Monitor of the Foundation for Family Businesses

Summary of main results



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Economic Policy for a Strong EU

Summary of main results

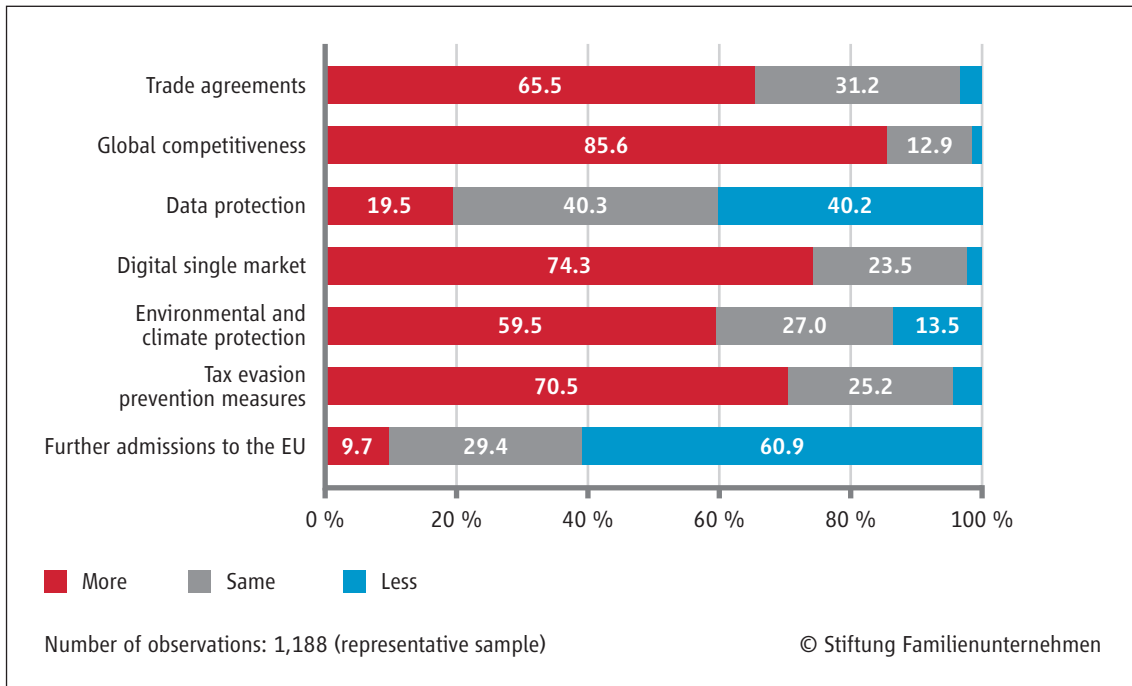
The third issue of the Annual Monitor of the Foundation for Family Businesses is dedicated to the future of the European Union from the perspective of German companies. It is based on a representative company survey conducted between April and June 2019, which more than 1,400 family and non-family businesses from Germany completed.

The main results are summarized below. The full study is available in German and can be downloaded at www.familienunternehmen.de.

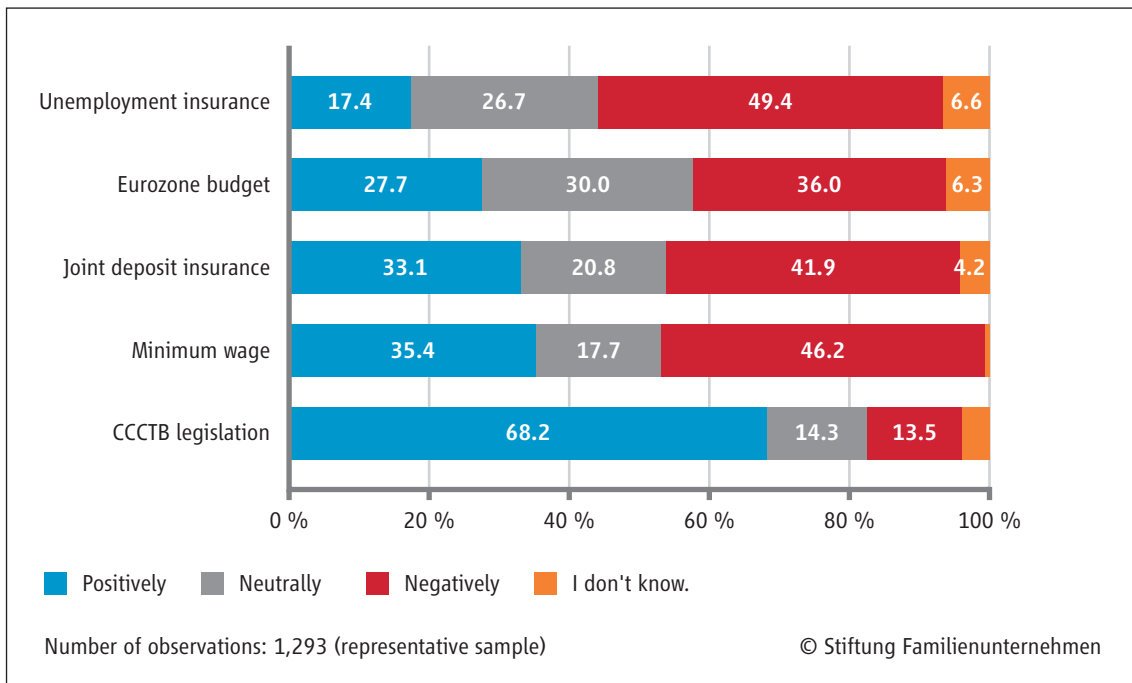
- In the opinion of the companies surveyed, the greatest need for action by the European Union during the next legislative period lies in improving global competitiveness: Overall, 85 percent of the companies surveyed believe that the European Union must make greater efforts in this area; in the case of large family and non-family businesses, the figures are as high as 95 percent and 98 percent, respectively.
- 74 percent of all companies and 90 of the large companies surveyed expect more commitment from the European Union with regard to realising the digital single market.
- 70 percent of participating enterprises expressed the wish for the European Union to step up its efforts in combating tax evasion.
- Nearly 66 percent of the companies are in favour of the EU concluding further free trade agreements with third countries.
- At 60 percent, a clear majority of the businesses expect the European Union to increase its efforts to protect the environment and the climate.
- About 80 percent of the companies are of the opinion that foreign trade policy, foreign policy, financial market and banking supervision as well as competition policy should essentially be the responsibility of the European Union.
- With regard to the creation of the European social union called for by various parties, the situation is clear: More than 80 percent of the companies surveyed felt that responsibility for social security systems should remain in national hands.
- Joint European unemployment insurance – in the form of reinsurance for national security systems – is supported by only 17 percent of the companies, while 49 percent voiced their opposition to the proposed reform.
- Moreover, a geographical expansion of the European Union is viewed critically: 60 percent of the companies would like to see the European Union less committed to admitting new countries.

- Based on the sample of the companies surveyed, about 30 percent are in favour of introducing a joint European deposit insurance and about 42 percent are against it.
- Almost 60 percent of the companies in the sample are of the opinion that fiscal and economic policy should be the responsibility of the nation states, while 38 percent see this area as a European responsibility.
- The idea of establishing financial capacity in the form of a European budget to absorb macroeconomic shocks or to finance investments is opposed by 36 percent of the companies while 28 percent are in favour and 30 percent are neutral.
- By contrast, a clear majority of the companies surveyed (just under 70 percent) view the harmonisation of corporate taxation under the Common Consolidated Corporate Tax Base (CCCTB) positively, while only 13 percent of the companies are sceptical about this proposed reform.
- With regard to China, the companies surveyed expect above all improved enforcement of intellectual property rights (66 percent) and fewer investment restrictions for European companies in China (51 percent). Fundamentally, European-Chinese economic relations should be based on the principle of reciprocity: the same competitive conditions and equal market access for both sides.
- The vast majority of the companies surveyed were not in favour of taking protectionist measures – such as protective duties or import quotas – with regard to China.
- Likewise, the companies are opposed to the establishment of large national or European companies or champions, as envisaged by the German Federal Minister for Economic Affairs in his concept for the National Industry Strategy 2030. Only 1.3 percent of the companies surveyed and 0.8 percent of those with more than 1,000 employees are in favour of setting up large national or European companies.

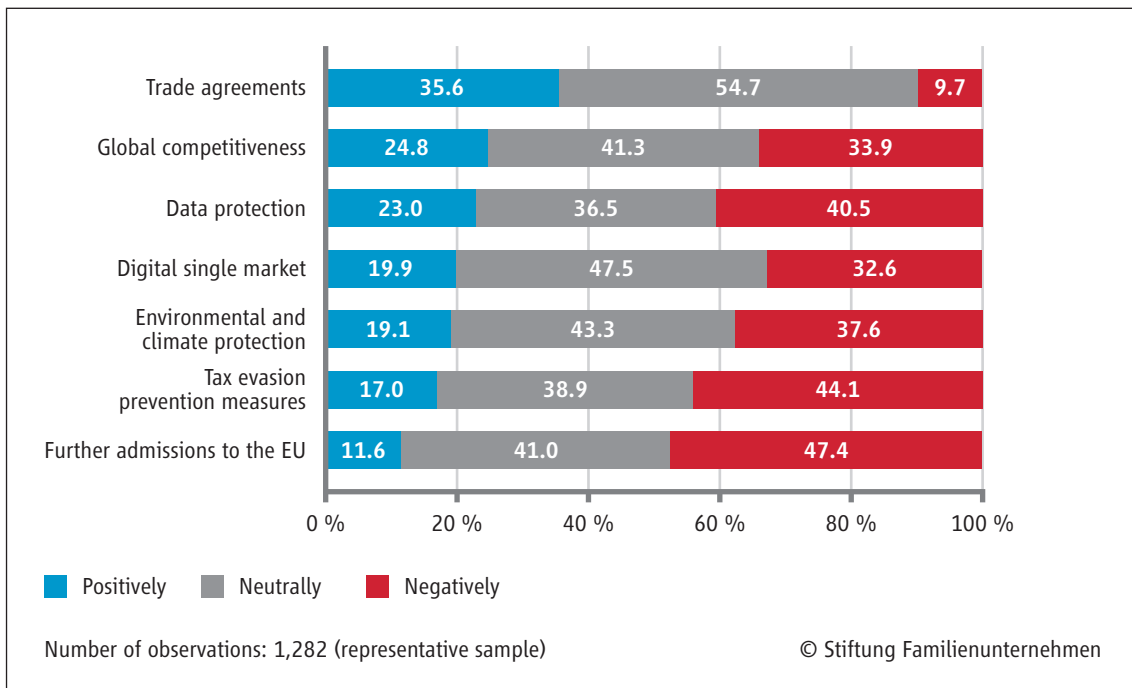
Question: From your company's point of view, what level of commitment should the EU make to the following areas during the new legislative period?



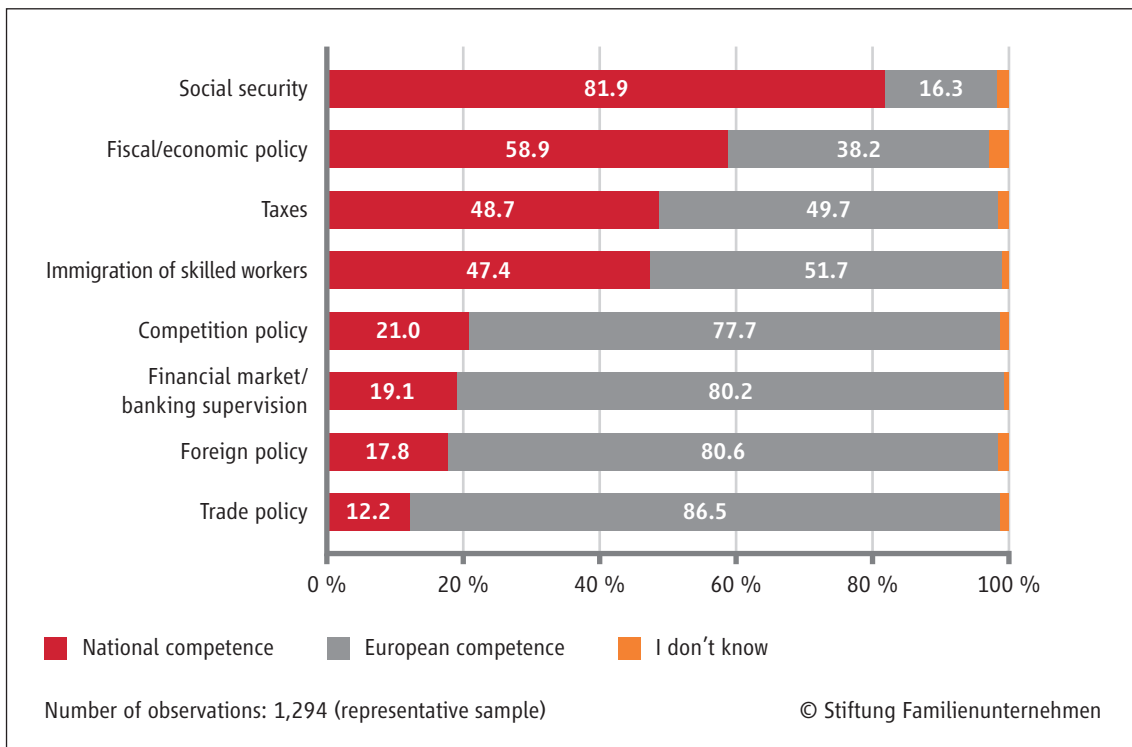
Question: From your company's point of view, how would you assess the following proposed reforms and/or objectives on the European level?



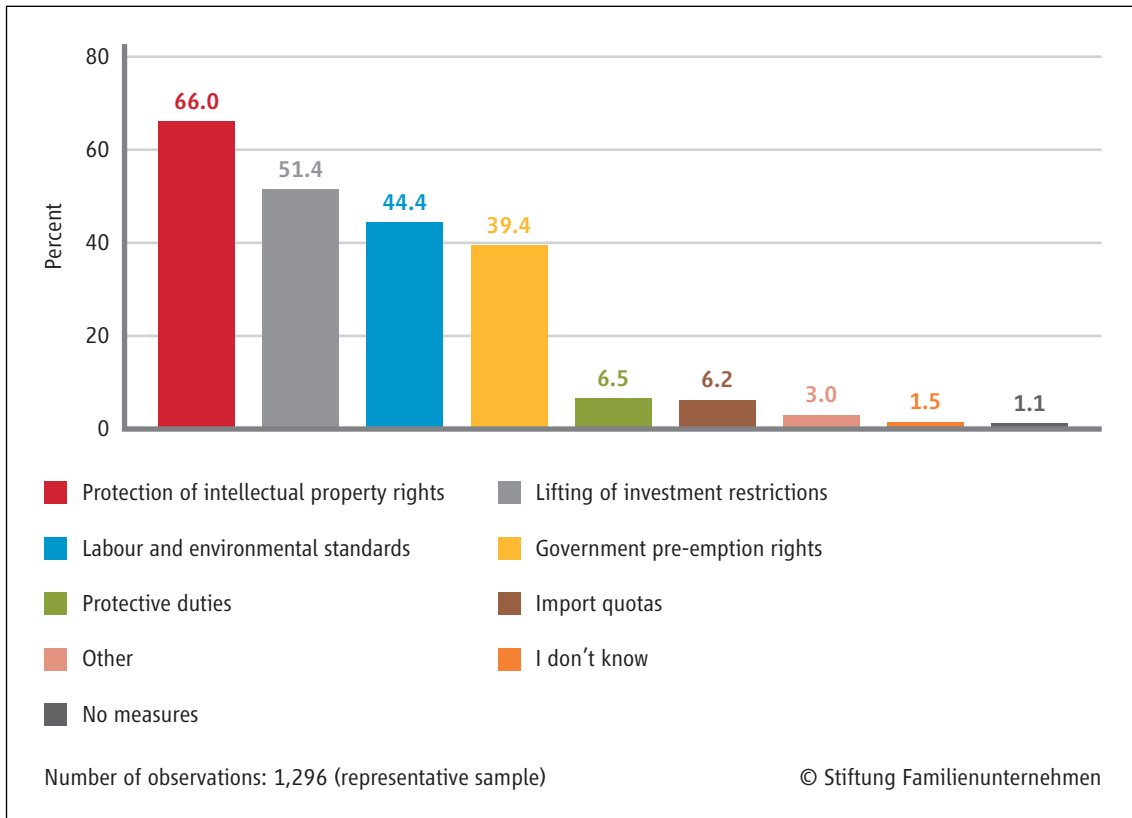
Question: How would you assess the results achieved so far by the European Union in the following areas?



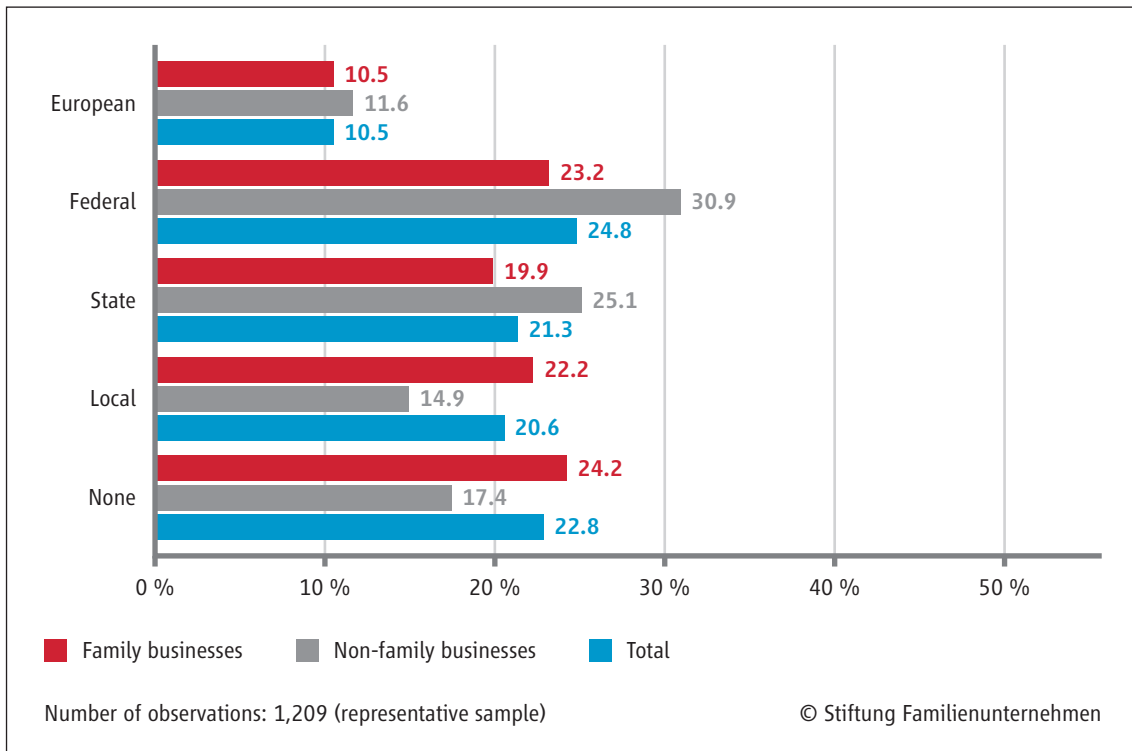
Question: From your company's point of view, who should be responsible for the following policy areas (national vs. European competence)?



Question: What economic policy measures should the EU take towards China? Multiple answers are possible (max. 2).



Question: At which political level are the interests of your company best represented?



Questionnaire

ifo Institute – Centre for Macroeconomics and Surveys

Please return by 9 June 2019

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The future of Europe from the perspective of German companies

1. At which political level are the interests of your company **best** represented?

(please choose **one answer**)

- European Federal State Local None

2. How often are you in contact with which politicians? Please also indicate whether you would like more contact with the respective politicians.

	Never	Rarely	Occasionally	Often	More contact desired
Local politicians	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Members of state parliament	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Members of the Federal Parliament	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Members of the European Parliament	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. From your company's point of view, how would you assess the following proposed reforms and/or objectives on the European level?

	Positively	Neutrally	Negatively	I don't know
Joint European unemployment insurance <input checked="" type="checkbox"/> (= reinsurance for national insurance schemes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Common European minimum wage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint eurozone budget	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joint European deposit insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Common Consolidated Corporate Tax Base (= harmonisation of corporate taxation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. From your company's point of view, how would you assess the results achieved so far by the European Union in the following areas, and what level of commitment should the EU make to these areas during the new legislative period?

	Results so far			Future commitment		
	Positively	Neutrally	Negatively	More	Same	Less
Realisation of digital single market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improvement of the EU's global competitiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade agreements with further third countries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental and climate protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Data protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tax evasion prevention measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Admission of further countries to the EU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. From your company's point of view, who should be **primarily** responsible for the following policy areas (national vs. European competence)?

	National competence	European competence	I don't know
Social security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Taxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Competition policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Trade policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal and economic policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial market and banking supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Immigration of skilled workers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. From your company's point of view, how well are the four fundamental freedoms of the European single market implemented?

	Not at all	Minimally	Partly	Adequately	Completely	I don't know
Free movement of goods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Free movement of services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Free movement of capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Free movement of persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Do you perceive Chinese companies or their products as competition for your company in the EU single market?

- Not relevant
 No competition
 Minor competition
 Medium competition
 Major competition
 I don't know

8. What economic policy measures should the EU take towards **China**?
(please choose **a maximum of two answers**)

- Government pre-emption rights in case of potential Chinese investments in European companies
 Protective duties
 Lifting of investment restrictions for European companies in China
 Import quotas
 Improved protection of intellectual property rights
 No measures
 Compliance with comparable labour and environmental standards
 I don't know
 Other: _____

9. There are currently discussions about abolishing the twice-yearly adjustment of clocks on a European level. From your company's point of view, which time is preferable?

- Standard time (winter time)
 Summer time
 No preference

10. In the context of **German industrial policy**, there are discussions about government support for key technologies/industries/companies. From your point of view, what is the right course of action for industrial policy?
(please choose **one answer**)

- Establishment of large national or European companies
 Support for the entire business landscape
 Support for selected key technologies/sectors
 No support
 Support for small and medium-sized enterprises (SMEs)
 I don't know
 Other: _____

11. Which measure do you think is **best suited** to achieve a fair tax system and less tax evasion? (please choose **one answer**)

- Greater tax transparency towards the public
 No measure
 Strengthening of the competent (tax) authorities
 I don't know
 Improved international coordination
 Other: _____

Statistical information for the year 2018

Number of employees in Germany: _____
 Sales in Germany (in € million): _____
 Number of employees outside Germany: _____
 Sales outside Germany (in € million): _____

Do you consider your company to be a **family business**? Yes No

Thank you for participating!

ID/serial number

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